

DISCIPLINARY MATRIX VALIDATION COURSE # AP 1581

Presented by the Department of Licensing Appraiser Program

GENERAL INFORMATION:

This course is offered for credit to licensed and certified appraisers from December 1, 2004 through January 31, 2005. Three (3) clock hours of appraiser continuing education course credit will be issued from the Department for successful completion of this course. Apprentice Trainees may also take this course as a non-credit course.

There is no cost or fee for taking this course. All course materials and information required to complete this course may be acquired through the Appraiser Program's web site www.dol.wa.gov/app/appfront.htm. The on-line course materials are also attached as a PDF to this course document.

Students are advised they are participating in a validation process of the Appraiser Program's Draft Disciplinary Matrix. The Draft Matrix may require revisions prior to its final editing, which is estimated to be March 31, 2005. Student evaluations and comments will be considered during the edit process.

STUDENT PARTICIPATION:

1. Student participation is voluntary. The course is a self-paced study course with an open book exam. It is designed to educate students regarding Washington State Licensing Laws applicable to the DRAFT Disciplinary Matrix.
2. Students will acquire a copy of the Draft Disciplinary Matrix (Effective November 19, 2004.). They are directed to review this Matrix according to USPAP and licensing laws and they are requested to provide an analysis of its usefulness.
3. Students are requested to access the Appraiser Program web site www.dol.wa.gov/app/appfront.htm in order to acquire the course materials. Students shall access the RCW and WAC applicable to appraiser licensing from the web site and also acquire a copy of the Draft Disciplinary Matrix and course materials. It is suggested that Students purchase the 2005 Uniform Standards of Professional Appraisal Practice, USPAP from *The Appraisal Foundation*.
4. Students are requested to sign up for the Program's "List Serve" direct email. The instructions for doing this are on the web site. Additional information regarding this course may be distributed to those subscribers of the Program's "List Serve".

EXAM REQUIREMENTS:

1. Students are required to receive a 75% passing score on the Exam to receive credit.
2. The exam answer sheet must be mailed to the Appraiser Program for scoring not later than January 31, 2005.

CERTIFICATES OF CLOCK HOUR CREDIT:

A certificate of continuing education credit for 3 clock hours will be mailed to licensees who successfully complete the exam. A letter of appreciation for participation in the Appraiser Program's Disciplinary Matrix Validation will be mailed to all students.

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DRAFT DISCIPLINARY MATRIX

APPRAISER PROGRAM COURSE NO. 1581 EXAM & MATRIX VALIDATION

Section I – 4 Questions, 6 points each

Case # 1:

In April, 2004, Always Check Mortgage filed a complaint against appraiser Sherlock. They reported that he completed 28 appraisals between January and April and they just learned that allegedly his license expired in December 2003. (Circle the best answer.)

1. Which licensing law (s) apply?
 - a. RCW 18.40.200
 - b. RCW 18.40.202
 - c. RCW 18.140.220
 - d. RCW 18.140.160 (3)
 - e. Both c and d
2. How many points should be assessed after adjudication? According to the adjudicated FINDINGS, CONCLUSIONS, and ORDER, the license did in fact expire in December 2003. He did complete 28 appraisals after the license expired. He received a Revocation of his license and a \$5,000.00 Fine.
 - a. Level IV – 50 Points
 - b. Level V – 1 year suspension, stayed 3 years, \$3,000 Fine – 85 Points
 - c. Level VI – Revocation of License for 3 years – \$5,000 Fine -100 Points
 - d. It is not necessary to assess points, because there is no probationary period.
3. When will points be assessed?
 - a. When the complaint is received by the DOL Appraiser Program Section.
 - b. After the investigation of the complaint is completed.
 - c. After adjudication ordering a stayed suspension of at least 3 years.
 - d. At the sole discretion of the Program Manager.
4. What is the most likely sanction appropriate for this case?
 - a. Fine of \$1,000.00 and take two (2) 15 hour appraisal courses.
 - b. License suspended for 6 months, \$3,000.00 fine, take two 15 hour courses.
 - c. License Revocation and a \$5,000.00 fine.
 - d. Cease and Desist Order issued for a 5 year period.

SECTION 2 - 3 QUESTIONS – 6 points each

Case # 2

It was reported to DOL that Trainee Able performed a complete appraisal in accordance with the client's assignment instructions. This assignment was entered on Able's trainee log. Able did not sign the report nor did the supervisor indicate that Able contributed in any manner in determining an estimate of value. The supervisor certified the report stating that he had inspected inside and outside the property. The Department's investigation concluded the supervisor had never been on the site according to the property owner's allegations..

(Select the best probable answer)

1. Under 2004 USPAP Standards and state of Washington RCW, what are the applicable laws which have been violated and may be charged by a Statement of Charges?
 - a. Trainee Able can be charged with violations of USPAP Standards Rule 2-3.
 - b. The supervisor appraiser may be charged with USPAP Standards Rule 2-3, The Ethics Rule, Competency Rule, RCW 18.235.130 (4) (11), or 12).
 - c. Both a and b.
 - d. Neither a or b.
2. If this was the supervisor appraiser's first complaint, at what Placement Level Range should this case be processed?
 - a. Level I – Dismiss the Case, you can not charge trainees.
 - b. Level II, III, IV,- Depending on mitigating circumstances and if the Trainee's work was satisfactory and no apparent harm occurred to the client.
 - c. Level V or VI, suspension or revocation, \$3,000-\$5,000. Fine. Time loss for a suspension could be stayed.
 - d. The trainee can not be charged under 2004 RCW laws for any violations of USPAP or licensing law pertaining to appraisal practices.
 - e. Both c and d.
3. Assume the client learned of the misrepresentation and requested the supervisor appraiser personally inspect the property, state the trainee's level of participation in determining an estimate of value, and change his certification addendum prior to acceptance of the appraisal from the appraiser. The client subsequently approved a mortgage loan based upon an acceptable appraisal according to USPAP.
 - a. A violation of USPAP has not occurred because there is no harm to the client.
 - b. The trainee might consider finding another supervisor who conforms to USPAP Standards as a more desirable mentor.
 - c. A complaint against the appraiser supervisor's business practices would be considered a Level I Action and the case could be closed during the Program's intake review.
 - d. All of the above.

SECTION 3 - 2 QUESTIONS- 5 POINTS EACH

Case #3

Appraiser Schultz has accumulated 30 points from an adjudicated BAP, for violations of licensing laws in 2005 for appraisals completed in 2004. Another complaint is received in 2005 alleging the same violations as the previous case.

1. At what minimum Placement Level Range should the Appraiser Program Manager recommend this case be referred, assuming the Brief Adjudicated Procedure (BAP) is the appropriate hearing process?
 - a. "BAP" is not appropriate
 - b. Level II, because point accumulations are not applicable.
 - c. Level III, because point accumulations are applicable from the first case.
 - d. Close the case because it does not meet threshold standards.

A third complaint on appraiser Schultz's business practice is received by the Department in February 2008 for an appraisal completed January, 2006. The Program Manager assess this violation is very minor (8 points) according to the Matrix and believes it does not meet the threshold; however the Program Manager has a memory like an elephant and recognizes the appraiser's name, and he remembers the two previous complaints.

2. Is it appropriate to send this complaint forward for further investigation?
 - a. It depends if appraiser Shultz received a suspension of his license in 2006 and if this suspension was "Stayed" for a period greater than 2 years.
 - b. No. The previous minor violations should not be considered. Close the complaint.
 - c. If there was no suspension in 2006 then Level IV is now appropriate because assessed points older than 3 years are removed and should not be considered.
 - d. Both a and c above.

SECTION 4 - 3 QUESTIONS - 6 POINTS EACH

Case # 4

A complaint dated February 2005 against appraiser Always Willing is received from XZY Repo Lending's review appraiser, alleging gross misrepresentation regarding the condition of the property and that inappropriate comparable sales were used in an appraisal completed in 1999. (Select the best answer)

1. Is it possible a violation of USPAP or licensing law may have occurred and the complainants allegations could be true?
 - a. Yes
 - b. No.
2. What is the probable out come of an investigation for this complaint?

- a. Always Willing's work file for the property has been destroyed and information for this appraisal can not be verified in this case.
 - b. The present condition of the property can not be compared to the condition which existed in 1999.
 - c. The comparable sales data is limited to county records and listing information and sales data for the comparable sales no longer exist.
 - d. Action Level I – Determination can not be made as to the validity of the complaint. Close the complaint.
 - e. All of the above
3. What is/are the probable course(s) of action which DOL should take?
- a. Close the complaint case file.
 - b. Request the complainant provide additional information regarding the condition of the property and verify the comparable sales to support a LEVEL V.
 - c. Assign additional investigators to look at additional Always Willing's appraisal reports and find similar violations?
 - d. Both b and c.

SECTION 5 – 5 QUESTION – 6 POINTS EACH

Case # 5.

Appraiser Troy Storey, licensed for 8 months, has completed 142 appraisals for his client Yakima Hit the Mark Lending . One of the his appraisals was for the Gigsup family's new home purchase, They moved to Yakima from Seattle. They knew appraiser Storey from his former job as a full time teacher at an elementary school in Seattle the previous year.. Mr. Gigsup, a former DOL appraiser investigator, complained to the Department that Storey was not qualified to be an appraiser because alledgedly he could not possibly have met the 2 year work requirement for licensing or completed the required 2000 hours of appraisal experience.

1. What are the probable violations of licensing law?
- a. RCW 18.140.160 (1) Failing to meet minimum qualification for state licensure or certification.
 - b. RCW 18.235.130 (2) Misrepresentation of a material fact in obtaining a license.
 - c. RCW 18.235-170
 - d. RCW 18.235-130 (11)(12)
 - e. All of the above

2. If the Department's investigator concludes Storey falsified his appraiser log by listing other appraisals which were completed by his supervisor, then is it also appropriate for the Program Manager to recommend a Statement of Charges be prepared for the supervisor? Investigations concluded the supervisor knew that Mr. Storey was not qualified to be a licensed appraiser and he provided him the appraisals for the log.
 - a. No , Because a supervisor can not be held accountable for actions of a trainee.
 - b. Yes, Under the provisions of RCW 18.235.130 (11) (12)
 - c. Neither a or b are appropriate because there is no violation of USPAP.
3. What is the appropriate Sanction Level according to Appendix D for Mr. Storey's violation (s)?
 - a. Level V – 85 points
 - b. Level VI – 100 points
 - c. Level I – 0 points – close the case, because he wasn't qualified for the license in the first place and because it was the Department's fault for issuing him a license.
 - d. Take back the license, and simply request Mr. Storey apologize to the Director for publishing false derogatory comments about the Department.
4. What would be the most unreasonable sanction **ORDER** by an Administrative Law Judge (ALJ)?
 - a. Suspend his license for 2 years 11 months, 29 days. Fine of \$4,000.00.
 - b. Revoke Mr. Storey's license for 10 years and fine him \$10,000.00
 - c. Neither a or b because it depends on mitigating circumstances.
 - d. Both a or b because it depends on mitigating circumstances.
5. Assuming Mr. Storey's supervisor never had any points assessed; What is the appropriate Sanction Level for the BAP?
 - a. Level IV – BAP \$1,000. Fine – 85 points
 - b. Level V - BAP \$3,000-\$5,000. Fine – 20 points, Suspension 6 mo – 3 yrs.
 - c. Level V– BAP Applicable to RCW 18.235 (1) (2) (11) (12) Suspension, \$5,000-\$10,000.
 - d. None, BAP is not appropriate according to Matrix Appendices B,C, and D.

Disciplinary Matrix Bonus Questions.

(1 Point Each for answering the question- There are no wrong answers.)

1. As a result of studying the applicable appraiser licensing laws I understand the application of the Matrix Point Assessment Guideline and Placement Level Range appendices.
 - a. Yes _____
 - b. No. _____
 - c. Comment _____

2. The Matrix appears to be a fair and equitable disciplinary process, both measurable and quantifiable.
 - a. Yes _____
 - b. No _____

3. I concur with the Recommended Sanctions in Appendix D.
 - a. Yes _____
 - b. No _____ Comment _____

4. I understand points are assessed for 3 years following adjudication at Level IV and above for those cases ordering suspension stayed for three or more years. I further understand that a licensee's assessed points decrease at 33.3 % per year for 3 years.
 - a. Yes _____
 - b. No _____ Comment _____

5. This Matrix Course Validation is my first exposure to Chapter 18.235.230 RCW.
 - a. Yes _____
 - b. No _____

6. I approve of the Disciplinary Matrix in the Format presented - pending minor administrative changes and the review and approval of the state of Washington's Attorney General's Office.
 - a. Yes _____
 - b. No _____

Disciplinary Matrix Bonus Questions Continued

The Next 4 Questions Apply to the Trainee License if the Trainee Bill is Approved in 2005:

- 7. How many applicants for trainee license will you supervise in 2006 if the Trainee Bill is approved and 3 Trainees are allowed per Certified Appraiser?_____**
- 8. How many licensed trainees do you believe a Certified Appraiser should/can adequately supervise?____**
- 9. Should a supervisor appraiser management course be developed and mandatory for trainee supervisors? Yes ____No ____ Developed by not mandatory Yes ____No____.**
- 10. Should the appraiser supervisor sign on the trainee license application attesting to the employment and agreement to supervise the trainee during the course of their employment? Yes ____ No____.**

Disciplinary Matrix Course No. 1581 Answer Sheet

Please write the letter corresponding to your answer for each question on the exam. Please select the best answer from those indicated for each question. Do not write additional comments on the answer sheet. Only one answer per question. Please print your name, include your license number, and sign the answer sheet. (75 total points required to pass)

Section 1 – 4 Questions, 6 points each

1. ____
2. ____
3. ____
4. ____

Section 2 – 3 Questions, 6 points each

1. ____
2. ____
3. ____

Section 3 – 2 Questions, 5 points each

1. ____
2. ____

Section 4 – 3 Questions, 6 points each

1. ____
2. ____
3. ____

Section 5 – 5 Questions, 6 points each

1. ____
2. ____
3. ____
4. ____
5. ____

Section 6 – 10 Questions, 1 Bonus Point Each, (See attached)

Section 7 _____ License # _____
Print Name

Signature: _____ Date _____

